



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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WORKFORCE INFORMATION MEMO #12-01

SUBJECT: Clarification of Arizona's Priority of Service Policy for Adult, Title I-B intensive services in the Five-Year Strategic Plan for Workforce Investment Act (WIA) and Wagner-Peyser (W-P). This Workforce Information Memo also includes definitions for employed adults and incumbent workers.

REFERENCES: WIA P.L. 105-220 133(b)(2)(A); 134(d)(4)(E); 188(a)(2) CFR Part 652, et. al. Sections 663.220(a) and (b); 663.230; 663.600(d); 665.220 29 CFR 37.6(b)(1)-(6)

BACKGROUND: In general, the WIA Title I-B adult funds allocated to the state of Arizona and Local Workforce Investment Areas (LWIA's) for adult employment and training activities are limited in the State, because there are not enough adult funds available to provide services to *all* of the adults who could benefit from such services. Therefore, Arizona's Five-Year Strategic Plan dated June 2000 stated that adult employment and training funds are limited.

WIA Section 134(d)(4)(E) requires that priority must be given to recipients of public assistance and other low-income individuals for intensive services when funds allocated to local areas are limited. This provision is in the statute to ensure that low-income individuals and public assistance recipients receive services beyond core. However, as we know, funding conditions differ from local area to local area. Therefore, the WIA and the state allows for local areas to evaluate the total amount of all funding sources (not only Title I-B adult) for the adult population and to develop a process *and* priority system in making the determination of who will be served with adult Title I-B funds. The language in Arizona's Five-Year Strategic Plan does not prohibit local boards from stating that adult funds are not limited in their local areas. In fact, the state granted local boards the flexibility via the local plan requirements dated September 1999, which required each respective local workforce investment area to develop a locally determined priority system.

It is important to clarify that the regulations at §663.600(d) provide authority to local areas to serve other individuals at the intensive and training service level despite a having a priority process in place.

One of the significant changes from the Job Training Partnership Act (JTPA) legislation to the WIA legislation is the ability of local areas to be able to provide services to employed workers. The WIA final regulations dated August 11, 2000, provided further guidance at §663.600 on the issue of determining eligibility of those employed workers, whether adult or dislocated workers. Prior to issuance of the regulations, the state granted local areas the flexibility to determine levels of self-sufficiency for employed workers, in a letter dated May 24, 2000. The state's view is that, given a board's level of awareness concerning such economic conditions as prevailing wages, declining industries, and unemployment rates, LWIBs are in the best position to determine self-sufficiency in their local areas. Therefore in the local plans, the State requested each local board to submit the level of self-sufficiency required for employed workers to move to intensive services.

Maximum flexibility was provided to State and Local Boards in determining eligibility for the employed adult worker. The Local Board must use the level of self-sufficiency as established in the local plan to determine whether or not to serve the individual at the intensive service level. Furthermore, the U.S. Department of Labor, Employment and Training Administration set the floor for determining self-sufficiency for employed workers at 100% of the LLSIL. For dislocated workers the state has established in Workforce Information Memo #16-00, Change 1 a statewide policy stating a threshold of 80% (relation of wages to layoff wage). The MIS WIA Title I-B eligibility manual, dated May 2000, will be corrected in the annual update to reflect these levels and local board flexibility for eligibility purposes.

Local Boards should encourage One-Stop operators and partners to provide services based on an individual participant's employment and training needs. The State strongly recommends that Local Boards avoid strict sequence of service policies (i.e., establishing duration or minimum service limits to move into intensive or training). A flexible approach should be taken so individuals can access the services they need based on personalized assessments as quickly as possible. In the State's opinion, mandatory waiting periods within each tier of service are inconsistent with customer-based service strategies (i.e., customized approaches according to individual needs). A good example of utilizing partner services and moving an individual through the tiers of service quickly is with the dislocated worker program. For example, an individual is laid off, receives job club (core service) activity from Job Service, has an eligibility done with Title I-B (core service), and is unable to find a job due to obsolete skills, then the individual moves directly into WIA Case Management (intensive service) to assess their needs and moves into the training level to enhance their existing skill set to be able to retain a job. These activities can be conducted within 2-5 days depending on training availability.

Local Boards should take special care when establishing priority of service and self-sufficiency policies and processes. Local area WIA Year 1-performance levels were negotiated based on a specific set of local assumptions and Local Boards should consider this when changing policies to serve employed adult participants. Local areas implemented this should consider implications of the *current* performance measurement system and impact specifically on the wage gain and replacement measures.

Although it may be perceived as semantics, it is also critical to clarify the difference between an incumbent worker and an employed adult or dislocated worker for purposes of eligibility. An incumbent worker for the purposes of statewide activities (15% set-asides) is an individual who is employed, but does not have to meet the eligibility requirements for intensive and training services for employed adult and dislocated workers (as outlined above). Whereas an employed adult participant must meet eligibility requirements to receive intensive services.

ACTION: Each local board will need to develop a process for assessing when to implement the priority system that is defined in the respective local plan. The foundation for this process should be in direct relationship to the individuals awaiting entry into intensive and training services.

When a local board has determined to not implement the priority process (i.e. no-one awaiting entry into intensive or training services) the local board must notify the state in writing of the following:

1. Intent not to implement the priority system;
2. A justification for such action which will include at a minimum the following criteria; amount of fund sources available for the adult population in the local area (e.g. TANF, WtW, grant funding);
3. Outline of non-discrimination activities for public assistance and low-income individuals when creating and implementing a non-priority process (WIA section 188(a)(2) and 29 CFR 37.6(b)(1-6));
4. Availability to general public of priorities and process policies.

Further the local board must apprise the state in writing when reverting back to the priority process.

If a local board would like to adjust the level of self-sufficiency in their plan a letter stating such should be forwarded to state Workforce Development Office upon action by the local board.

Sincerely,

A handwritten signature in black ink that reads "Stan Flowers". The signature is written in a cursive, flowing style.

Stan Flowers
Acting Deputy Program Administrator
Workforce Development Administration

SF:DT:kds